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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 11/18/09

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(1) Interview with U.S. Under Secretary of State Hormats: Japan, U.S. can work together in the environment area; hopes to see pending issues, including insurance market, aviation liberalization talks, move forward

NIKKEI (Page 7) (Full)
November 18, 2009

Visiting U.S. Under Secretary of State for Economic, Energy and Agricultural Affairs Robert Hormats on Nov. 17 gave an interview to the Nihon Keizai Shimbun. During the interview he underscored that Japan and the U.S. can display leadership, if they strengthen ties

on the environment and assistance to developing countries. Regarding the economic relationship, he expressed hopes to see conditions for competition improve in Japan's insurance market and liberalization talks make progress. He also said that he is not envisaging the "U.S.'s exclusion" from the East Asian Community framework. The interview follows:

-- How do you view the present state of and prospects for the global economy?

"The global economy is gradually picking up, compared with a year ago and six months ago, due in part to policy coordination among Japan, the U.S., and Europe. However, the employment situation is very severe. It is also necessary to keep an eye on the financial market. It is too early for all countries and regions to adopt an exit strategy. Now the first thing we need to do is to provide momentum to the economic recovery."

-- How do you view Japan-U.S. relations from the economic perspective?

"When President Obama was arranging the details of his Asia trip, we first decided to have him deliver the most important speech in Tokyo. No bilateral relationship is closer than that between Japan and the U.S., as can be seen in trade, investment and financial services. If we turn our eyes to global challenges, such as the environment, energy, and assistance to developing countries, Japan and the U.S. are deepening ties as major countries that lead the world. While the President was visiting Japan, both countries agreed to work together on research on clean-energy technology. This

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reflects our deepening ties."

-- Japan's basic stance in economic policies, such as postal privatization, is beginning to change due to the recent change in government.

"It is Japan that chooses its policies and implements them. The U.S. respects Japan's decision. Concerning postal liberalization, too, the implementation of policy is Japan's responsibility. However, we hope that Japan will consolidate fair competitive conditions for postal services for all insurance companies, including American companies, and postal insurance companies. There are also other individual issues, such as expansion of imports of U.S. beef by Japan and an open skies policy to mutually open our aviation markets.

"However, as the U.S. has many pending issues with Europe and Canada, pending issues with Japan are in a way the flip side of the closeness of the bilateral relationship. Constructive and candid talks will lead to settlements."

-- How do you view Prime Minister Yukio Hatoyama's Initiative for an East Asian Community?

"We have had many meetings with the Japanese government. I do not believe that Japan is mulling this initiative with the aim of excluding the U.S. The U.S. is ready to deepen engagement with the Asia-Pacific region. There is ample room for us to work together with Japan, which is of the same mind as us."

-- Will the meaning of the Group of Eight industrialized nations (G-8) change if the Group of Twenty nations (G-20) becomes a regular gathering?

"The G-20 will never replace the G-8. The G-20 is a forum for leaders of the member nations to freely discuss broad-based issues, such as financial services. The G-8 is a venue for formulating strategies demonstrating specific approaches to issues challenging the G-8. The presence of Japan, which excels in advanced technologies and environmental measures, will continue to carry special weight."

(2) Editorial: Prime Minister's statement; Does he intend to impair trust between Japan and U.S.?

Prime Minister Yukio Hatoyama's statement has brought about a situation that could impair the trust between Japan and the U.S., which is very regrettable.

Regarding the Japan-U.S. ministerial-level working group to discuss the relocation of the U.S. Marine Corps' Futenma Air Station in Ginowan City, Okinawa Prefecture, the prime minister since right after the bilateral summit on Nov. 13 has stressed a view that is different from that of President Obama.

Characterizing the working group as a vehicle intended to implement the agreement, including the relocation of the Futenma Air Station, the President expressed his hope to see the group finish its task swiftly. Prime Minister Hatoyama also stated, "I would like to

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settle the issue as soon as possible."

However, the prime minister on the 14th revealed to reporters in Singapore his intention not to regard the implementation of the Japan-U.S. accord as a premise for establishing a working group. He said, "If that is the premise, there is no need to set up a working group." He also said, "I did not promise to settle the issue by the year's end." In a speech delivered in Tokyo on the 14th, too, the President categorically said, "In order to implement the Japan-U.S. agreement."

If an agreement reached between top leaders is broken overnight, the meaning of a summit itself, a venue for reaffirming the alliance, would be negated. It is reasonable for Liberal Democratic Party Policy Research Council Chairman Shigeru Ishiba criticized the prime minister's statement, saying, "The statement is a betrayal (to the U.S.)."

The prime minister should rectify his statement and re-acknowledge the significance of achieving a settlement before the year is out, based on the Japan-U.S. accord and arrangements between the governments of both countries.

Any delay in settling the Futenma relocation issue would hamper the compilation of the fiscal 2010 budget late this year from the perspective of including related expenses in it. In the U.S. Congress, the Senate has substantively trimmed expenses for transferring 8,000 Marines stationed in Okinawa to Guam earmarked in the national defense budget legislation. The Japanese government's remaining unclear about the implementation of the agreement has reportedly affected this decision.

A delay in the government's response will delay lessening the base-hosting burden of local residents in the vicinity of the Futenma Air Station, who have been complaining about the noise pollution and danger of the airfield. It will also prevent a smooth transfer of U.S. Marines to Guam. If the government is unable to come up with a feasible option other than the relocation of the Futenma functions to the coastal area of Camp Schwab, settling the Futenma issue over the existing plan by the end of the year would be a realistic and indispensable option.

The Nago mayoral election in January next year will possibly complicate the city's acceptance of the Futenma relocation. The prime minister himself said at the summit, "Settling the Futenma relocation issue will become more difficult over time." However, he indicated a stance of waiting to see the outcome of the election.

The state is responsible for making a decision on issues concerning the U.S. military's deterrence and the burden of Okinawa in a comprehensive manner. The prime minister's stance of waiting to see the outcome of a local election will raise a question about his capability to make a proper decision as the nation's leader.

(3) 60 days of the Hatoyama administration (Part 1): The Prime Minister's "illusion" on the Japan-U.S. alliance

On Nov. 14, the day after the Japan-U.S. summit, foreign affairs and defense bureaucrats were voicing their expectation that the

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deadlocked Futenma relocation issue in Okinawa will now begin to move forward.

They were saying: "Now that the President has spoken to him face-to-face, the Prime Minister probably understood America's determination." "The issue will probably move forward quickly."

At the summit meeting on Nov. 13, President Barack Obama made a strong demand to Prime Minister Yukio Hatoyama about the implementation of the relocation agreement. While the Japanese side had expected that there would be no in-depth discussion of the Futenma issue due to the desire to play up the "success" of the summit, a senior Ministry of Foreign Affairs (MOFA) official revealed that "the President addressed the issue head-on." It was clear that what he meant by "time" is a solution before the end of the year.

The President, in the belief that Hatoyama had expressed his "understanding," announced to the world in a speech in Tokyo on Nov. 14: "We have agreed to move expeditiously through a joint working group to implement the agreement that our two governments reached."

However, on the very same day, Hatoyama expressed his displeasure to reporters in Singapore: "I have not promised to resolve the issue by year's end." He further indicated that (the working group) will examine the issue from scratch and a conclusion will be put off until next year. This development served to undermine President Obama's speech, in which he referred to his agreement with the Prime Minister as an achievement of the summit meeting.

The U.S. side has been perplexed since the inauguration of the Hatoyama administration, which advocates an "equal Japan-U.S. relationship," in September. The U.S. has experienced changes of administration through elections numerous times. Therefore, it had taken it for granted that "no matter what has been said during the election campaign, a pragmatic approach will be adopted once in power." It had also thought that the Hatoyama administration would conform to this "American common sense."

The U.S. side had been optimistic that once the new Japanese government completed its policy review, it would come to understand the importance of the Japan-U.S. alliance. Therefore, Assistant Secretary of State Kurt Campbell and other officials have taken a soft approach of "watching and waiting patiently" since "it is the obligation of a close ally to listen." At the first bilateral summit in New York in September, the President did not mention the Futenma issue and did not even touch on U.S. Forces Japan (USFJ) realignment at all.

In retrospect, senior MOFA officials realized that after the summit, Hatoyama and Foreign Minister Katsuya Okada came to have the "illusion" that "U.S. concerns about the Futenma issue are not that serious."

Even with regard to the "deepening of the Japan-U.S. alliance," which is supposed to be the centerpiece of the summit meeting, subtle differences between the two leaders surfaced at their joint news conference on Nov. 13.

"The Japan-U.S. alliance is not limited to security. The bilateral alliance can be deepened by cooperation between the two countries on disaster prevention, medical services, education, the environment,

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and other issues."

The Prime Minister declared proudly that consultations on the "deepening of the Japan-U.S. alliance" will take place for one year and the President had agreed to this. According to close aides of the Prime Minister, he intends to put priority on cooperation in the non-military fields.

However, the Japan-U.S. security treaty is premised on the U.S.'s defense of Japan and Japan's provision of military bases to the USFJ. There is no denying that the USFJ forms the basis of Japan's stability and prosperity. The U.S. will not accept a "deepening" of the alliance that does not take this fact into account. What Hatoyama is undertaking is a "transformation of the alliance."

There is growing pessimism in Washington about the future because "most of the Democratic Party of Japan (DPJ) Diet members are politically left-of-center. Even if they come to control a majority in the House of Councillors after the election next summer, uncertain policies (toward the U.S.) will continue." (Bruce Klingner, senior research fellow at Heritage Foundation)

"We share the same goal, and that is to provide for the defense of Japan. I am extraordinarily proud of the men and women in uniform from the United States who help us to honor our obligations to the alliance and our treaties." Contrary to Hatoyama's perception, the President implicitly demanded that Japan also take up a commensurate share of the responsibility by stressing military contribution.

(Part 1 of ongoing series)

(4) 60 days of the Hatoyama administration (Part 2): "Okinawa's feelings" complicate the issue

YOMIURI (Page 4) (Full)
November 18, 2009

Prime Minister Yukio Hatoyama likes to use the terms "omoi (sentiments)" and "kokoro (feelings)" in public. He used these expressions again on Nov. 17 when talking to reporters about the relocation of the U.S. forces' Futenma Air Station in Okinawa.

"While I accept the importance of the Japan-U.S. agreement, we need to attach importance to the sentiments of the Okinawa people." "I would like to make every effort, while studying the feelings of the people of Okinawa, to find out what sort of message will be acceptable to them."

He also used "Okinawa's feelings" in his response to Diet interpellation. After hearing his remarks in the Diet in early November, a former senior Okinawan official remarked coldly: "Does Mr. Hatoyama have any idea what the local people think of the phrase 'Okinawa's feelings'?"

The term "Okinawa's feelings" has been a slogan used to unite the people of Okinawa by the movement against U.S. military bases founded on the local people's anger over the excessive burden imposed by the U.S. military bases occupying Okinawa's territory. With the Prime Minister using this expression thoughtlessly to defer a decision on the Futenma issue, "there is enormous expectation for the relocation of Futenma out of Okinawa" among the Okinawan people,

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according to Governor Hirokazu Nakaima.

When Foreign Minister Katsuya Okada visited Okinawa on Nov. 16, the Okinawan people vented their anger on him.

The town of Kadena is home to (parts of) the Kadena Air Base (KAB), which Okada is considering for a possible merger with the Futenma base. At the town government office, where the roaring sound of fighters taking off and landing reverberated, Mayor Tokujitsu Miyagi cited several serious KAB-related accidents, including the crash of a fighter from the air base onto an elementary school 50 years ago, and told the foreign minister in a very strong tone: "The merger plan is out of the question."

Even when Okada explained that the merger will take place on condition of "reducing noise first," Miyagi brushed this off, asserting: "The national government has promised to reduce the burden many times in the past. The burden has not been reduced at all, but has rather been increased."

Okada said at a news conference after the meeting: "After talking to the local leaders, I now have a better understanding of the reality."

It is believed that Hatoyama places importance on the "feelings of the Okinawan people" because of his political philosophy that politics should reflect the citizens' opinions rather than state power, which is largely based on "liberalism." Behind his repeated statements that "we might look at the outcome of the Nago mayoral election (in January)" is the thinking that it is undesirable for the government to decide on the relocation site arbitrarily. It is a significant fact that the Democratic Party of Japan, Social Democratic Party, and People's New Party candidates won in all the single-seat districts in Okinawa in the recent House of Representatives election.

For sure, even the Liberal Democratic Party (LDP) administrations "placed importance on popular will." However, in previous Nago mayoral races and Okinawa gubernatorial elections where the Futenma relocation was an issue, the LDP sent campaigners from the mainland to support the candidates accepting relocation to Camp Schwab behind the scenes. These were, in effect, "government-controlled elections."

Nago Mayor Yoshikazu Shimabukuro says that with the government putting the question of accepting Futenma relocation to a vote in the local community, Nago was sharply divided between proponents and opponents of the relocation plan, making Nago a city of political strife. Shimabukuro also told Okada on Nov. 15: "I don't want to divide the citizens once again."

In the mayoral election in January, the relocation opponents are planning to field a rival candidate to Shimabukuro, whose position is that "the acceptance of the relocation plan is inevitable." Since the LDP is now in opposition, he cannot expect the same level of support he enjoyed in past elections. Shimabukuro stated at a news conference on Nov. 12 that "I would welcome an alternative plan if one is proposed that would result in an early solution." He has begun to indicate the possibility of shifting his position of accepting the current relocation plan.

The Prime Minister's political style of placing importance on the

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will of the local citizens may not be compatible with an issue affecting national security decisively. Okada told Shimabukuro on Nov. 15: "We cannot ask the citizens of Nago to make a decision on an issue that should basically be decided by the national government."

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